



by **A.S. Berman**

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The world was spinning toward a messy end in 1979, or so it seemed. The Three Mile Island nuclear accident, the worst in U.S. history, gave the iconic mushroom cloud an eerie new glow; the Soviet Union boldly invaded Afghanistan; and Iran fell to an ayatollah and religious extremism, beginning a 444-day ordeal for 52 American hostages.

In October, the American Newspaper Publishers Association launched Presstime magazine with a special report about the way newspapers were coping with another symptom of world upheaval, the energy crisis.

In the subsequent 25 years, the industry faced—and met—a variety of challenges brought about by changes in technology, reader behavior and the economy.

Not surprisingly, several of the same challenges addressed in Presstime over the past quarter-century remain with the industry today, including the best ways to deploy new media, collect subscription payments, format color ads and deal with mailrooms bursting at the seams. These topics are explored in the stories that make up this special report. Before examining these developments, however, one area deserves special consideration. Perhaps no perennial concern has affected newspapers quite as much as the way audiences perceive them and other media outlets.

A wide-ranging survey of 1,201 adults released last July by The Pew Research Center for the People and the Press in Washington found that most Americans still view news organizations with skepticism and distrust. Only 36 percent think that the media get the facts right, and 56 percent don't even believe that news reports are factually accurate.

Some people say this can be attributed to the way reporters, real and fictional, are portrayed on film and television.

"Very few people ever see real-life journalists doing their job," says Joe Saltzman, who directs the Image of the Journalist in Popular Culture project at the Norman Lear Center in Los Angeles. The center is part of the Annenberg School for Communication at the University of Southern California. "Most journalists...do copious research and spend hours alone writing their stories."

What the public has seen, he says, is the journalistic "pack of wild animals" popping up to hound movie and television heroes since the 1970s. Add to that the scenes of real-life reporters who regularly descend upon today's public figures like Kobe Bryant and Martha Stewart, and you can see the source of some respondents' negativity.

News gatherers did enjoy a brief burst of popularity in the '20s, '30s and '40s, Saltzman says, because "former newspaper people were responsible for most of the images of the journalist in film."

Today, positive television images such as New York Observer columnist Carrie Bradshaw in HBO's "Sex and the City" have been offset by "the producers of 'JAG,' 'Law & Order' and others [who] have portrayed journalists as scum...in several episodes in the last few years," Saltzman says.

After the Sept. 11, 2001, terrorist attacks on New York City and Arlington, Va., a frightened public wanted answers. Readers seemed to flock to print, online and broadcast news outlets in droves.

"There was certainly a blip around Sept. 11," says Peyton Craighill, project director at the Pew Center. "People were so hungry for information, and they gave very high ratings to the media."

The center found that news organizations as a whole enjoyed a brief honeymoon with the American people, according to a survey in November 2001. More than at any other time between 1999 and 2003, respondents said that the media usually get facts straight and that journalists care about the people they report on.

Yet even those numbers were far from flattering. On the getting facts straight question, 46 percent said this was the case, edging out those who said it was not by a single percentage point.

"In the past two years," Craighill says, "things have reverted." Since Sept. 11th, the federal government also has changed its approach toward news organizations, often stating that the free flow of information must take a back seat to national security concerns.

"There is a balance between freedom of information and keeping information secret so the homeland is secure and safe," says Paul Boyle, NAA senior vice president of public policy. "There needs to be a dialogue between the media and the people in charge of homeland security to maintain that balance."

Previously, lobbying efforts by the newspaper industry were primarily confined to such topics as postal reform and cross-ownership.

Now, protecting the free flow of information has become a large part of the industry's Capitol Hill activities, Boyle says. "It's the rallying issue if there's been one. Both Republicans and Democrats have examples that they know of in their districts where [the Freedom of Information Act] has been used to reveal problems in their own communities."



"Sex and the City's" Carrie Bradshaw (Sarah Jessica Parker), a columnist for the New York Observer, is one of the few positive portrayals of a journalist on television today, some experts say.

For many newspapers, government relations can involve a balancing act, says Tara Connell of Gannett Co. in McLean, Va.

Connell's position as director of media and government relations was phased out when she was named vice president of corporate communications in March 2003. "The lobbying aspect moved to someone in our legal department," she says. Now, in-house attorneys collaborate with a Washington law firm, usually on issues involving the Federal Communications Commission.

"We are loath to get involved in lobbying any broader than that," she says, "because it can have all sorts of appearances that compromise your journalistic integrity."

Communicating beyond Capitol Hill has become even more challenging for newspapers over the years. It isn't the information that has changed so much as the audience.

Newspaper "employees are also shareholders," notes Catherine Mathis, vice president of corporate communications at The New York Times Co. "Many shareholders are also readers, and the companies they work for are advertisers." As a result, "we view communications in a much more holistic fashion."

In a department that hasn't grown since 1997, eight full-time professionals and two interns draft speeches for the chairman, create copy for the Internet and intranet sites, collaborate with human resources on employee communications, and answer questions from the press, Mathis says. Through all of this, every message must convey the same point every time.

Often those messages can be planned in advance. Sometimes, however, a paper's communications department must react to events beyond its control.

When the Jayson Blair fabrication controversy broke early last year, Mathis "was on the phone constantly with 140 different news organizations around the world," she recalls. "I had cell phones on each ear!"

While the Times Co. received a few calls from investors, most were from the journalism community. Either way, the message had to be the same: The Times was on top of the situation.

"Blair resigned on May 1," she says. "On May 11, the articles appeared in the Times about what happened.

"It's critical for news organizations to be forthcoming when situations arise. Our business is based on integrity."

Carriers: Older-Vintage Advantage

Like 1950s horror movie insects grown fat on nuclear radiation, the average newspaper has bulked up considerably on an increasing diet of inserts.

In the past 10 to 15 years, that growth has been just one factor in another radical mutation: that of the teen and preteen newspaper carriers of yesterday into today's predominantly adult delivery force.

Traditionally, thanks to strict child labor laws covering other industries and the flexible nature of the job, newspaper delivery has been one of the few sources of steady employment open to the nation's youth. As a result, newspapers have been carried by those barely tall enough to peep over your standard broadsheet.

In recent years, however, that trend has changed.

In 1990, just 32 percent of U.S. carriers were adults, and the rest were young people,



according to NAA's "2003 Circulation Facts, Figures & Logic." By 2002, those numbers had flipped, with 33 percent of carriers being young people and 67 percent adults.

A few factors have fueled the move to mature carriers, says John Murray, NAA vice president of circulation marketing. The proliferation of the insert and bulking-up of the modern newspaper are simply the most obvious. "The size of those preprinted inserts zoned to geographic areas—they're heavy," he emphasizes.

While children in small towns still load up little red wagons to make deliveries, serving a couple of apartment buildings for a mid-size daily—complete with inserts—could buckle the stoutest Radio Flyer axle.

The rise of distribution centers in larger markets has streamlined dissemination of those inserts tremendously, Murray notes. It also has squeezed many younger carriers out of the business.

Distribution centers "allow you to assemble the various parts of papers in one place and do more finite zoning" of editions, Murray says. They also allow carriers to pick up and deliver additional niche and partner publications, something about 38 percent of the industry was doing in 2002, according to NAA's "2003 Circulation Facts, Figures and Logic."

For papers with circulations between 100,001 and 200,000, that number reached 69.6 percent.

The hubs have proven so efficient, Murray says, that eight of 10 U.S. newspapers with circulations of 100,000 or greater use them.

Often, however, these drop points are reachable only by vehicle and hence, only by those old enough to drive.

An industrywide push for earlier delivery times also has affected younger carriers, says Richard Reed, circulation manager at the News-Register in McMinnville, Ore. "It's more difficult with kids, their safety and security, for them to be able to [deliver papers] before school."

Today, Reed oversees 110 routes staffed predominantly by young people and 12 routes serviced by vehicle.

With 32 years in circulation, he knows how exceptional the News-

Register's situation is. After all, the advantages of a distribution center are easy to see, he says. "You can drop more papers at a distribution center than the 50 papers you leave at a kid's house."

Five years ago in Texas, when Reed was with the San Antonio Express-News, "there were almost no [youth carriers]," he recalls. "We had an annual Carrier of the Year awards

program" at the Texas Circulation Management Association. "We didn't have enough kids in the whole state to support a category."

EZ Pay: Customer Procrastination as Ally

When it comes to collecting newspaper subscription fees, the knock on the door from one's friendly neighborhood carrier has gone the way of the local milkman.

Once newspapers' primary means of collection, carriers now are used by only about 7 percent or less of the industry for that task, according to NAA's "2003 Circulation Facts, Figures & Logic."

When Martha Hines assumed the circulation director position at The Grand Rapids (Mich.) Press five years ago, carriers collected most payments. Today, about 99 percent of payments go directly to the newspaper, she says.

Hines and circulation departments nationwide are seeing another, equally dramatic, evolution. Employing a system similar to those used by companies to deposit salaries directly into an employee's bank account, these "EZ Pay" plans automatically deduct the subscription price from a subscriber's bank account or credit card on a specified day, without action by the subscriber after the initial authorization.



Not only do these plans cut the amount of paperwork newspapers must wade through, they also have proven extremely effective in another vital area: subscriber retention.

"Recurrent payment plans have really caught on in the last three years," says NAA's Murray, vice president of circulation marketing. "It has had a tremendous impact on their return rate. It's flipped subscriber procrastination over to an ally."

That certainly has been Hines' experience. "It's clear that customers who signed up [using the EZ Pay plan] resulted in 80 percent retention" after three months, she says. "Typically, telemarketing orders after three months are closer to a 40 percent" renewal rate.

The reason, Hines believes, is EZ Pay's virtual elimination of a monthly decision.

"It's mainly new subscribers that we're benefiting from," Hines says. "Every time we sell a new subscription, you have to wonder, 'Will this customer renew?' [With EZ Pay,] the bill is not there every month as a reminder that they need to make a decision."

The benefits have not been lost on a majority of U.S. newspapers. In 2002, 77 percent of papers accepted automatic credit card payments and 63 percent accepted automatic deductions from bank accounts, according to NAA's "2003 Circulation Facts, Figures and Logic."

So enticing is the prospect of a painless retention boost that Gannett Co. has set a goal of moving 20 percent of subscribers to EZ Pay at such papers as its Star-Gazette in Elmira, N.Y., according to the paper's circulation director, Warren Dews Jr.

"Retention is extremely high," with EZ Pay, Dews says. That is especially helpful, considering that "telemarketing numbers have dropped."

At presstime, the Star-Gazette had about 1,800 subscribers on EZ Pay, slightly less than 9 percent of its total number of subscribers, he says.

To entice more readers to take advantage of the plan, the paper has given away branded umbrellas and mentioned the service often in regular mailings to subscribers.

Still, some older subscribers, and those readers wary of technology, prefer to do things the old-fashioned way, says Monika Hill, customer service and retention manager for the Star-Gazette. "No matter how much they hate to write checks, they won't use [EZ Pay]."

The Daily Me

Just as the World Wide Web has taken some of its news dissemination practices from print journalism, newspapers have taken a few tips from the new media revolution.

Though targeting of advertising and editorial content to specific communities was not born online, targeted Web content did prove how well it could capture and retain the interests of key demographics.

As an outgrowth of Gannett Co.'s Vision 2005 plan, The

Arizona Republic in Phoenix has created four niche print publications since 2002, all aimed at specific areas throughout the Grand Canyon State. A fifth is expected to debut before year's end.

"It's important to be able to diversify, to reach more and different people," says Linda Greiwe, vice president of advertising at the Republic. "It's a natural extension of our brand."

That extension includes 85255, a bimonthly magazine delivering articles about—and to—Arizona's affluent Scottsdale community, and 85226, aimed at residents of Chandler.



The Arizona Republic's niche publications, including 85255 and Southwest Valley Home & Family, are expected to bring in \$1 million in net revenue in 2004.

Altogether, the Republic expects its community publications to reap \$1.1 million in revenue by the end of 2004.

While the increase in specialty pubs and zoned editions has added to many papers' bottom lines, it also has led to a dramatic overstuffing of mailrooms in markets large and small.

"In the past two years, there's been a very steep climb in zoning," says Fred Schuerger, packaging manager for the Erie (Pa.) Times-News.

In 1983, Schuerger saw no zoned pieces. Today, 30 to 40 percent of Times-News material is zoned.

In the past, an increase in zoned pieces often went hand in hand with a dip in the number of inserts, Schuerger says. Now, however, they have begun to rise together, with the Times-News handling nearly 58 inserts a week last year. "Erie's a relatively small market," he emphasizes. "There are folks that make that pale in comparison."

In 1989, the paper added 20,000 square feet to its existing 5,000-square-foot sorting facility, Schuerger says. "The preprint workload and the zoning have eaten that up."

There are no current plans to expand floor space further, he says. "If we have an overflow of preprints, it's cheaper for us to lease some trailers and park them in the parking lot."

Yet, if zoned editions and inserts continue their steady climbs, he says, "then we have to look at expanding."

Fueling some of this rise in zoned editions are state-of-the-art presses that have found ways to eliminate various production bottlenecks.

The evolution 471 from WIFAG of Bern, Switzerland, for example, images directly to pre-mounted plates, eliminating the need to prepare alternate edition plates ahead of time. The erasable plates necessary for this process could be available in three years.

The next-generation Cortina line from KBA North Americas Inc. of York, Pa., features automatic or semi-automatic plate changing. All plates, or just a select few, can be changed automatically in about two minutes, says Gary Owen, director of marketing and newspaper sales. In this way, plates for the next edition can be imaged while those for the first edition are printing.

DICOWeb technology from MAN Roland Inc. of Westmont, Ill., now being used at several sites, does away with plates entirely. "The system's rapid changeover characteristics will be particularly important for zoning and targeting different reader segments," says Vince Lapinski, chief operating officer of web operations.

Next-generation presses such as KBA's Cortina, MAN Roland's 6X2 Colorman XXL or the "press of the future" presented at this year's NEXPO® conference by Goss International Corp. of Bolingbrook, Ill., also feature smaller physical profiles, either by including fewer press units and newsprint reel stands or by placing them on the same level.

Ultimately, presses that can be squeezed into pre-existing facilities today may free funds for future expansion of mailrooms that may be bursting at the seams tomorrow.

Color Ads: Getting It Right

When Ed Lehr discusses the state of color advertising in newspapers with others in the industry, their reaction often is akin to the one Charlton Heston got in the sci-fi classic "Soylent Green" after announcing who's in the meatloaf.

That's because Lehr, prepress processes quality manager at the Pioneer Press in St. Paul, believes that "most newspapers in the United States" have been printing the wrong color tones in most color ads.

Some in the industry think his temporary solution, however, is more hurtful to the delicate trust between newspapers and advertisers than helpful to the problem he seeks to address.

Newspapers first made their push into color in the '80s to capture advertisers who had no desire to create gray-scale versions of color ads they could place with ease in color publications.

For years, Lehr, a former chairman of NAA's Color Management Work Group, wrestled with how best to reproduce ad color consistently. Not until the Pioneer Press "ran into the wall" with one advertising client last year, however, did the paper discover its greatest problem with color ads, and a solution.



With the help of Kodak Polychrome Graphics' research center in Oakdale, Minn., the newspaper confirmed what it had long suspected: Nearly all ads it received contained maximum color levels prepared using the Specifications Web Offset Publications (SWOP) standard for commercial printing.

By using KPG's Matchprint Virtual Proofing System, the Pioneer Press was able to see how these ads coming off a newspaper press would differ from proofs supplied by the client.

The problem is "too big for the average individual to conceptualize without actually seeing sample after sample after sample," Lehr explains. "We can't believe we were off this far for this long without knowing it."

After running hundreds of editions of ad files through Matchprint Virtual, Lehr says, the paper discovered that more than 90 percent were set to the SWOP specification.

With that in mind, the Pioneer Press is using a beta version of KPG's MatchFlow Composer software to convert SWOP files to ones using the Specifications for Newsprint Advertising Production (SNAP) standard. The ads that resulted, Lehr says, were on the money.

Today, the paper runs all color ad files through the conversion process.

While no one can argue with the paper's efforts to meet its advertisers' color expectations, this one-size-fits-all approach sends a harsh message, says Tom Croteau, NAA senior vice president of technology.

"Most major advertising agencies that deal with newspapers do know how to adjust images for newspapers," he says. Now, by automatically running their files through a conversion system, "you're telling those papers that are doing it correctly that you're putting them in the same pot as those doing it incorrectly."

More troubling, Croteau says, is that by automatically changing files as they arrive "without knowledge or consent of the sender, you now take on any liability if that ad reproduces poorly."

In the end, this method, which Lehr thinks all papers should at least consider, could become an industry-altering solution for a very Pioneer Press-specific problem, Croteau suggests. The paper is "printing on presses over 25 years old, so there's likely more dot gain than the industry average."

The problem also is mostly restricted to larger dailies, says Bernard Szachara, vice president of production at the Democrat and Chronicle in Rochester, N.Y., and another former chairman of NAA's Color Management Work Group.

"You run into that more frequently the more national [and regional] ads you're running," Szachara says. "In our case, because the volume is lower, we don't think we're required internally to make huge [adjustments]....We do more PDF toning."

Gannett Co.'s USA Today in McLean, Va., was credited with starting the great color race with its launch in 1982. USA Today now takes extraordinary pains to ensure that every paper printed on its 44 presses meets the same color standards. That goes far beyond color management on the software end, according to Ken Kirkhart, vice president of production.

Executives at the St. Paul paper have "all the same presses in their plant," he says. "It's much easier for them to say, 'Here is where my dot gain should be.' We've got about 40 presses in the States, four international, five manufacturers and about 30 vintages."

USA Today produces proofs at each site using an HP 1050 wide-format printer and matches pages to those proofs visually. Densitometer readings, controlled lighting at each site and tests of each press operator's color visual acuity help to eliminate several variables.

"We measure a random copy from every site every day," Kirkhart explains.

For papers that don't have to aim for consistent color over quite so many presses, the key to managing color output today requires reviewing each ad that comes in, says NAA's Croteau. If a file isn't up to SNAP standard, it is perfectly acceptable to convert it, if certain protocols are observed.

"I would have an e-mail that says 'Your ad does not conform to SNAP. We have adjusted the image and here's a before-and-after [proof]. Let us know which you want to run.' "

The ideal "system of the future," however, would employ an artificial intelligence computer system "that can actually go in and analyze incoming files and determine if the tones were set properly," he says.

In the meantime, profiles being developed by the SNAP Committee and the International Newspaper Color Quality Club could go a long way toward ensuring uniform color, Croteau adds. Barring all that, "I would spend the time and effort to inspect incoming materials."

The 24-Hour Newspaper

Long before the World Wide Web was unleashed on an unsuspecting public, the newspaper industry hit upon a similar concept to bring news and information to the nation's computer screens.

In 1979, Knight Ridder and AT&T moved to create an electronic service that was modeled on a fledgling British system called Prestel that would transmit screens of news content over phone lines to terminals in subscribers' homes.

On Oct. 1, 1983, after encouraging results from a pilot program, Knight Ridder's Viewtron system was offered to Florida residents.

Viewtron offered electronic access to text and rudimentary graphic content from The Miami Herald and The Associated Press, all via a computer terminal and television set.



A forerunner of today's electronic newspaper, the 1983 Viewtron failed to attract enough subscribers to survive.

"The concept was that in a place like Seattle, for example, The Seattle Times would be the local content partner, while Knight Ridder would be the technology partner, dividing the costs and the proceeds," says Reid Ashe, former chairman and chief executive officer of service provider Viewdata Corp. of America. Ashe is now president and chief operating officer of Media General Inc. in Richmond, Va.

Yet, with an initial price tag of \$600 for the terminal, plus a monthly fee, Viewtron topped out at about 2,000 users, he says. Even after the price was changed to a \$39.95 monthly fee with no terminal to buy and the service was adapted for use on personal computers, Viewtron wooed only about 20,000 subscribers in all, he says. Even extra Viewtron services such as electronic access to airline schedules and bank account information failed to lure users.

"One of the big 'ah ha's' that developed was that, although it was envisioned as an electronic newspaper, it developed into something a lot different," Ashe says. "Like today's [Web] sites, the ones that have done well have evolved into something more."

Never quite able to keep its head above the tremendous maintenance costs involved, the service was shelved in March 1986.

Twenty-five years after Viewtron's launch, nearly every U.S. newspaper has some form of online presence, a circumstance that even now is changing the industry.

Seeing itself competing with cable news channels as well as other newspapers, Newsday of Melville, N.Y., updates the home page of its Web site, www.newsday.com, an average of 203 times daily, according to a study by the School of Journalism of the University of Texas at Austin.

"It is literally a 24-hour news cycle," says Ernest Sotomayor, Newsday.com's Long Island editor.

Ironically, the Web site's relatively high-tech setup has plunged its editors into the retro world of the rewrite desk, he says. The role of the Newsday.com team is to edit stories written by the print reporters, combine them with audio and graphic elements and "take what they're doing to another level."

Often, this means asking reporters to record interviews so audio excerpts can be made available on the site, or posting documents mentioned in a reporter's article online.

Truly threatening to change journalism as we know it, however, is the instantaneous aspect of the Web. When you've broken all the day's news online, what do you publish in tomorrow's print edition?

"We have that discussion a lot," Sotomayor says. "The newspaper story is written mostly like the first day's [online] lead, so some [readers] will see a lot of duplication in that story."

At the moment, there is little overlap between online and print readers, he says, but "I think what we're going to see" is the news event covered online, "and the next day, we'll just see the analysis pieces in print."

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